



RELEASED

JAN 9 1974

B-114874

The Honorable Thaddeus J. Dulski, Chairman
Committee on Post Office and Civil Service
House of Representatives

Dear Mr. Chairman:

Pursuant to your request of March 19, 1973, we examined the quality of mail service provided by the Los Angeles, California, Post Office. On July 23, 1973, we briefed staff members of the Subcommittee on Postal Facilities, Mail, and Labor Management on the results of our examination and gave them copies of the charts (see encs. I to XI) used in the briefing. The Subcommittee later used this data during its hearings in Los Angeles. As requested, this letter summarizes our briefing.

The Los Angeles office generally had not met the Postal Service's mail delivery standards. Sorting errors, which caused mail to be sent to the wrong destinations, and processing delays prevented significant quantities of first-class mail from being delivered on time. Also, while the volume of mail increased, the number of employees decreased and the post office did not receive two letter sorting machines scheduled for delivery before the 1972 Christmas mail surge. These machines were rescheduled to be installed in July 1973.

BACKGROUND

The Los Angeles office handles about 3.8 billion pieces of mail annually, or about 10.3 million pieces daily.

The average number of employees at the Los Angeles office decreased from 13,347 in postal fiscal year 1972 to 12,692 in postal fiscal year 1973--a decrease of 4.9 percent--while the mail volume increased by about 420 million pieces--an increase of about 12.5 percent. To process this increased volume, employees worked 1,663,222 hours overtime, an increase of 968,362 hours, or

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139.4 percent, over the overtime worked in postal fiscal year 1972.

The Los Angeles office did not have the resources to expeditiously handle the increased mail volume in postal fiscal year 1973 because the increased workload was not anticipated in the office's budget.

Except during the Christmas season, the Los Angeles office steadily increased its productivity. Productivity rose from 525 total distributed pieces handled each man-hour in postal fiscal year 1972 to 567 in postal fiscal year 1973, an increase of 8 percent.

The office was able to handle more mail with fewer employees because of increased utilization of machines.

DELIVERY STANDARDS

Postal Service standards state that 95 percent of first-class mail should be delivered in 1, 2, or 3 days, depending on its destination or the distance it must travel. (See enc. III.) For example, 95 percent of local mail (origin and destination in Los Angeles) should be delivered in 1 day. Except during the Christmas season, the Los Angeles office generally met this standard.

Also, 95 percent of the mail originating in Los Angeles and going to designated sectional center facilities and 95 percent of the mail originating in designated sectional center facilities and destined for Los Angeles should be delivered in 1 day. Although service in the Los Angeles area improved significantly after Christmas 1972, this standard was not usually met.

Generally the 2- and 3-day delivery standards have not been met. For example, during the 4-week period ended June 22, 1973, 84 percent of the mail designated to receive 2-day delivery was delivered within that time and 96 percent of this mail was delivered within 3 days. Of the four States designated to receive 2-day delivery, only Utah had 95 percent

of its mail delivered within 2 days. During the same period, 86 percent of the mail designated to be delivered in 3 days was delivered within that time and 97 percent of this mail was delivered within 4 days. The Postal Service reported separately on 23 of the remaining 44 States designated to receive 3-day delivery. Only eight of these States received at least 95 percent of their mail within 3 days.

DELAYED MAIL

Despite increased productivity significant quantities of first-class mail were not delivered on time. For example, during the 7 months ended May 25, 1973, 37.5 million pieces of first-class mail were delayed. Although a 1-day delay in delivery may not be important to--or even noticed by--some mailers, it could cause hardships for persons waiting for pension checks and financial losses for recipients if the mail concerned financial transactions.

The 37.5 million pieces of delayed first-class mail represented about 1.7 percent of the total mail volume (all classes) the Los Angeles office processed during the 7-month period. About 90 percent of the delays--33.9 million pieces--occurred in December 1972 and January 1973 and represented about 5 percent of the total mail volume processed in those 2 months.

Los Angeles postal officials attributed much of the delayed mail to the inability of the Los Angeles office to handle increased mail volumes, to unscheduled employee absences due to a flu epidemic, and to the overnight delivery area served by the office. These officials said it was impossible to make overnight deliveries in many cases because the overnight delivery area was so large.

MISSENT MAIL

Problems associated with the use of letter sorting machines can adversely affect mail service. For example, if a letter being sent from Los Angeles to New York is mistakenly routed to another State, it would usually be delayed 5 days in delivery.

Mail sorted by letter sorting machines can be missent because of machine or operator errors. In addition, mail can be missent if employees put sorted mail in the wrong pouches or mislabel pouches.

According to Los Angeles Post Office statistics, 3.3 percent of the mail leaving the Los Angeles office is missent. On this basis we estimate that 42.4 million pieces of first-class mail were missent during postal fiscal year 1973.

The Postal Service has developed a device for checking the performance of letter sorting machines which determines (1) machine errors and (2) operator errors. Operators who have high error rates could receive additional training. Because the machine's error rate is at least 1 percent, it is questionable whether the Postal Service will succeed in reducing the error rate experienced in machine sorting to that experienced in manual sorting--estimated by postal officials to be 1 percent or less.

CUSTOMER COMPLAINTS

From February 3 to May 25, 1973, the Los Angeles office received 21,218 complaints, of which about 82 percent dealt with lost mail, 5.7 percent with delayed mail, and 12.3 percent with various other problems. Postal officials had resolved 19,932 of the complaints and had determined that 78.3 percent resulted from lost mail, 1.7 percent from carrier errors (e.g., delivery to the wrong addresses), 0.6 percent from processing errors, and 17.5 percent from numerous other errors; postal officials were unable to determine the causes for the remaining 1.9 percent of the complaints.

Several reductions in collection and delivery services were possibly related to these complaints. For example, the Los Angeles office reduced the number of collection points where mail was picked up after 5 p.m. from 3,020 in July 1971 to 2,888 in July 1973--a decrease of 4.4 percent. In addition, 116 two-trip routes have been reduced to one-trip routes.

EMPLOYEE MORALE

We obtained information on the status of labor/management relations in the Los Angeles office--specifically whether employee morale was low and, if so, why--by interviewing officials of the American Postal Workers Union, the National Association of Letter Carriers, the National Association of Post Office Mailhandlers, and the National Association of Postal Supervisors. All of these officials said that morale was low.

The primary reasons for low morale, according to these officials, were

- lack of personnel,
- excessive overtime,
- poor grievance procedures, and
- concern about the Job Evaluation Program¹ under which many supervisory positions had been downgraded.

ACTIONS BEING TAKEN

At a February 1973 meeting with Postal Service district managers from around the country, top-management officials acknowledged that the Postal Service had problems. This meeting apparently enlightened the top-management officials on the situation in the field because most of the problems we found were also cited by the district managers.

To correct the problems the Los Angeles office began concentrating its efforts on providing good service instead of on reducing costs; the hiring freeze instituted in March 1972 by Postal Service headquarters was lifted; and the Los Angeles office began hiring new employees--295 employees were

¹A study of all Postal Service jobs with the intention of making postal pay equal to the pay for comparable skills in private industry.

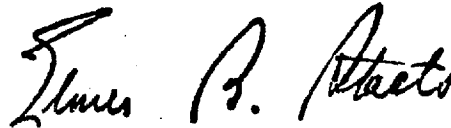
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hired during the last 5 months of postal fiscal year 1973. In addition, the Postal Service implemented new quality control procedures designed to reduce the amount of missent mail.

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Los Angeles postal officials generally agreed with our findings. We do not plan to distribute this report further unless you agree or publicly announce its contents.

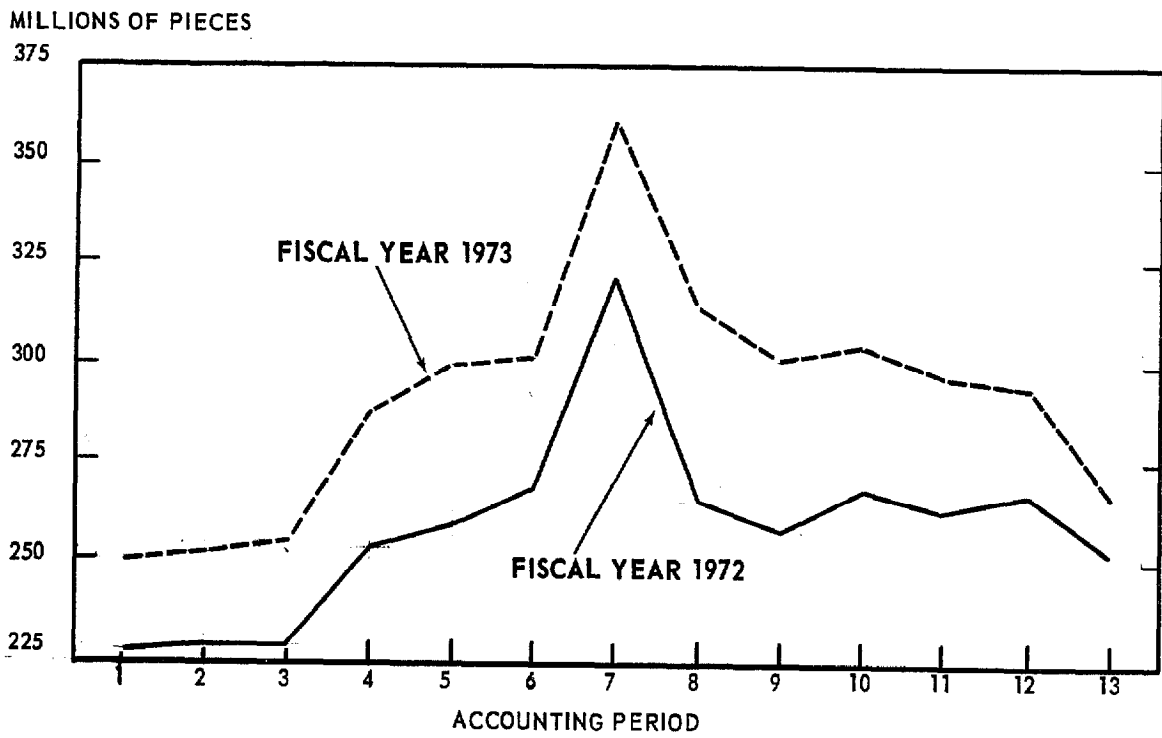
Sincerely yours,

A handwritten signature in dark ink, appearing to read "James B. Stacks". The signature is written in a cursive, slightly stylized font.

Comptroller General
of the United States

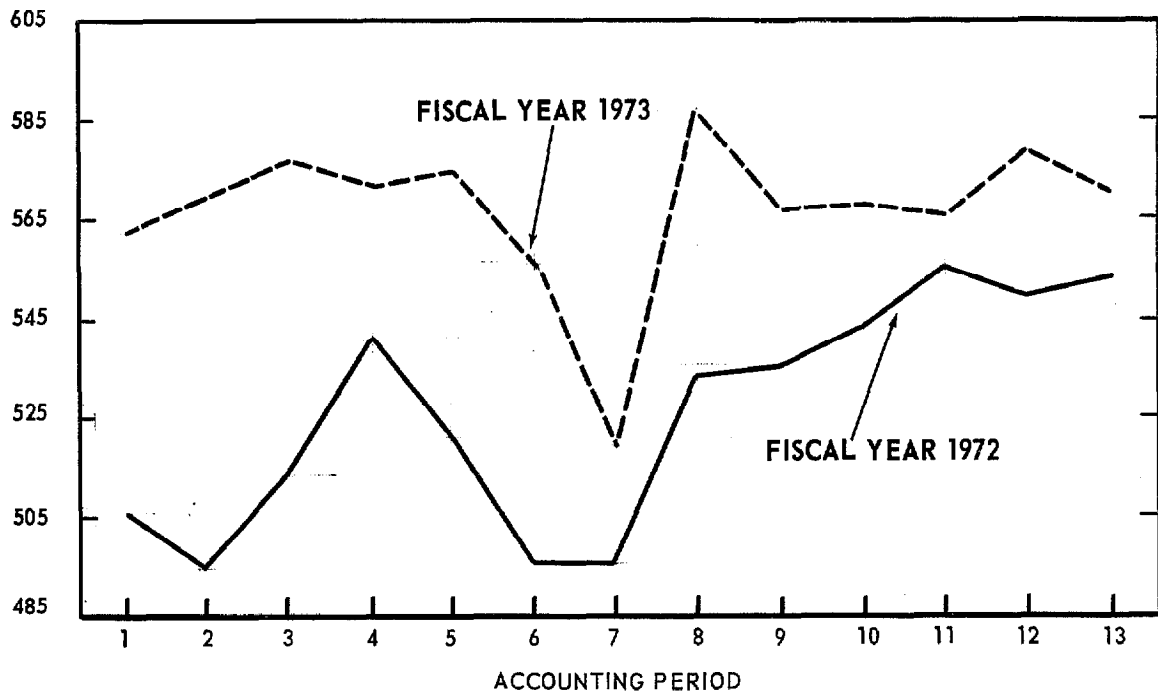
Enclosures - 11

MAIL VOLUME - LOS ANGELES POST OFFICE

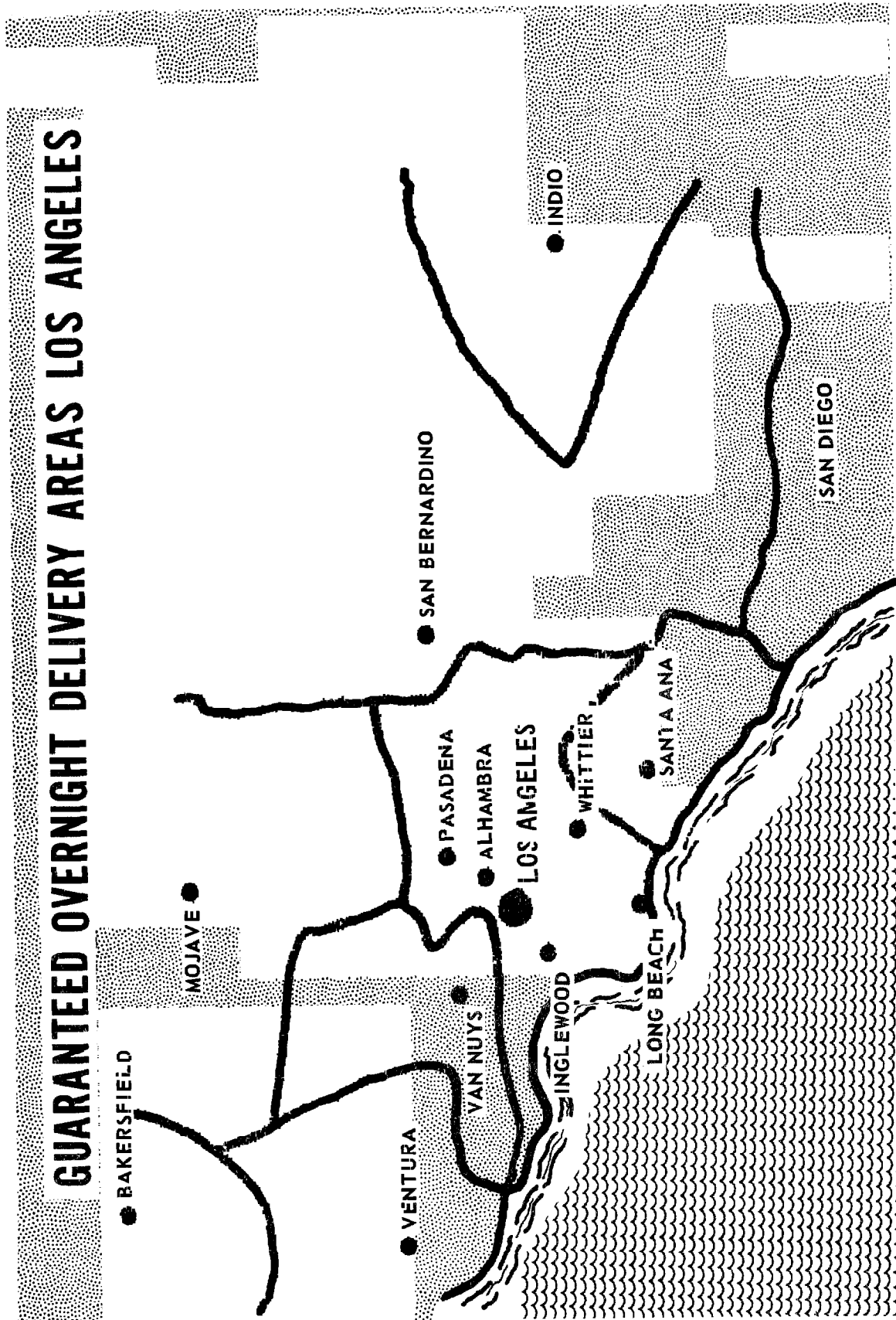


PRODUCTIVITY MEASUREMENT FOR LOS ANGELES POST OFFICE

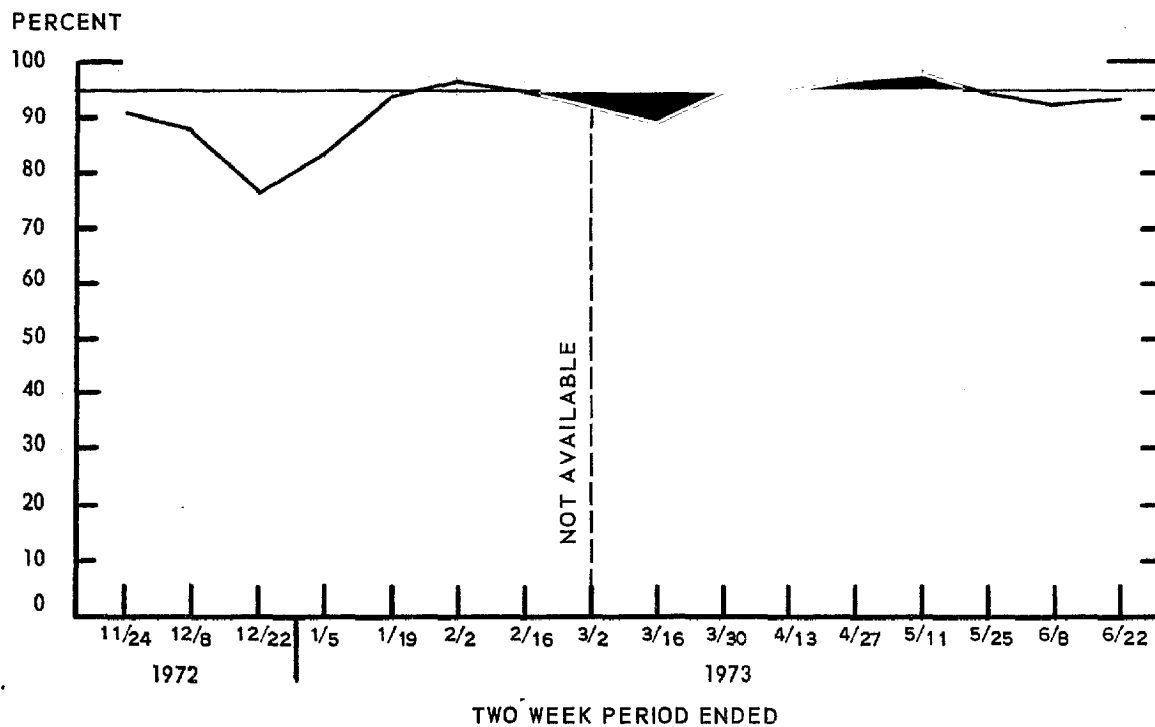
PIECES HANDLED PER MANHOUR



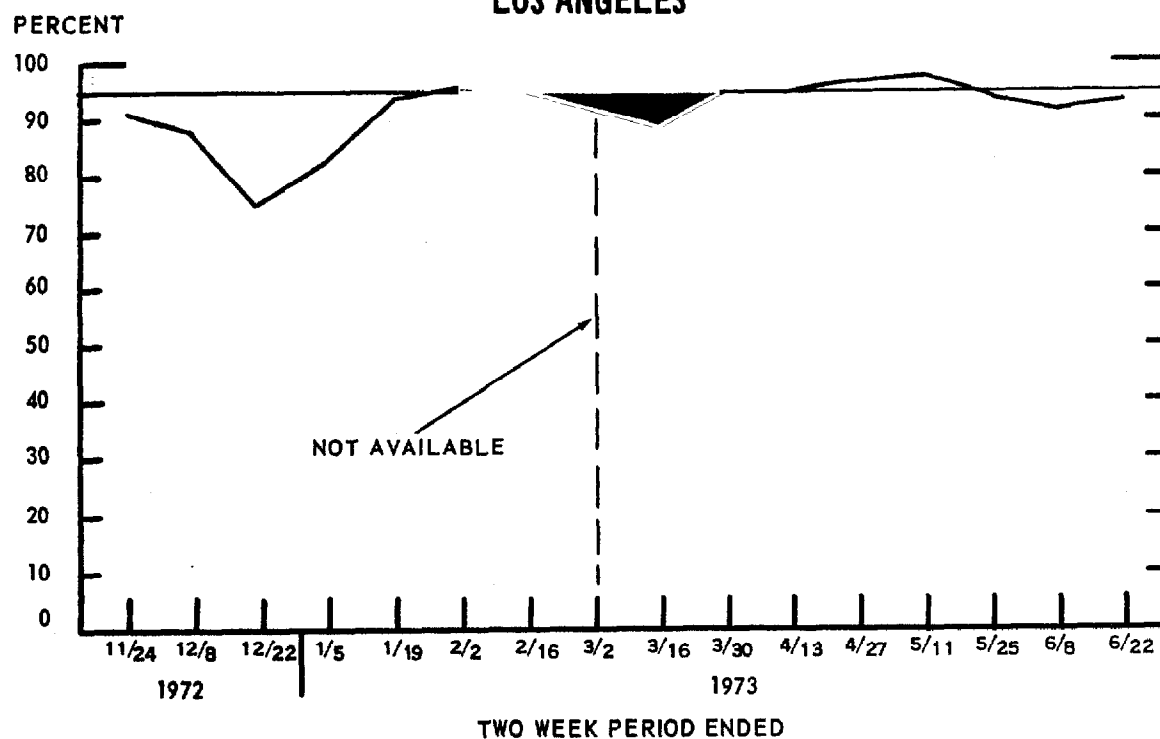
SERVICE STANDARDS	
BEFORE REORGANIZATION	AFTER REORGANIZATION
NONE	FIRST CLASS OVERNIGHT: INTRA-SCF & ADJOINING SCF S DESIGNATED LOCALLY SECOND DAY: 6 00 MILES THIRD DAY: NATIONWIDE
	AIRMAIL OVERNIGHT: 600 MILES PLUS DESIGNATED AREAS SECOND DAY: NATIONWIDE CONTIGUOUS STATES



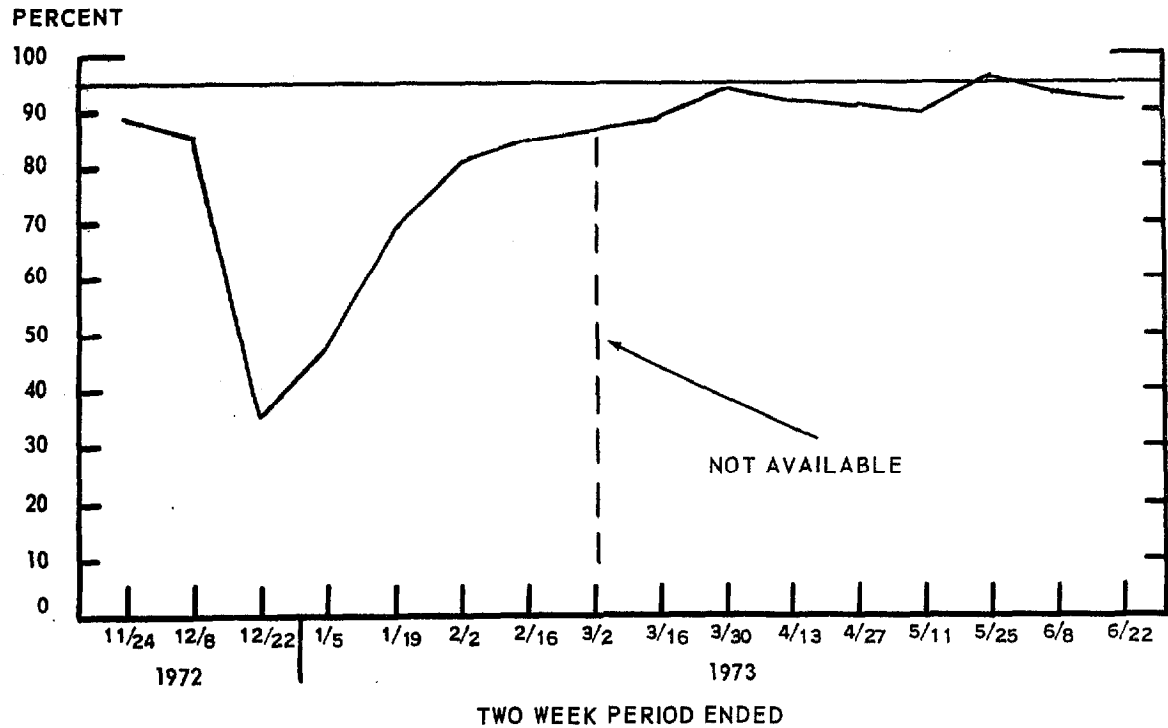
PERCENTAGE OF MAIL DELIVERED OVERNIGHT
TO LOCAL AND INTRA-SCF AREAS FROM: LOS ANGELES



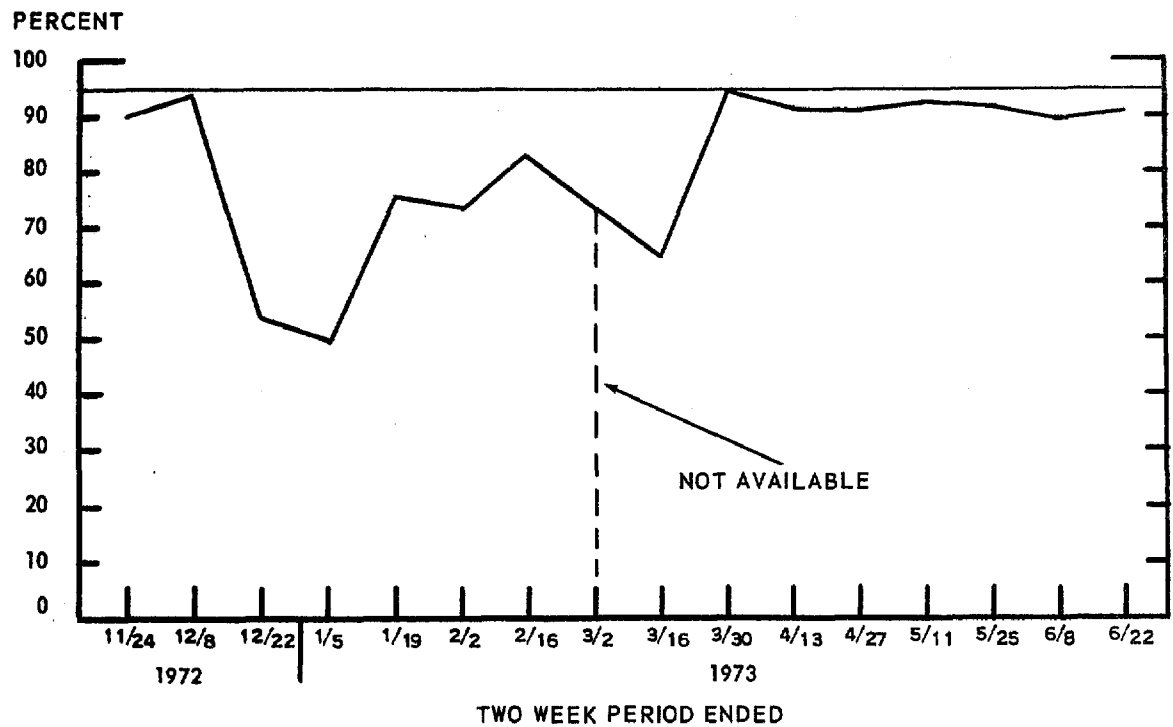
PERCENTAGE OF MAIL DELIVERED OVERNIGHT
FROM LOCAL AND INTRA - SCF AREAS TO:
LOS ANGELES



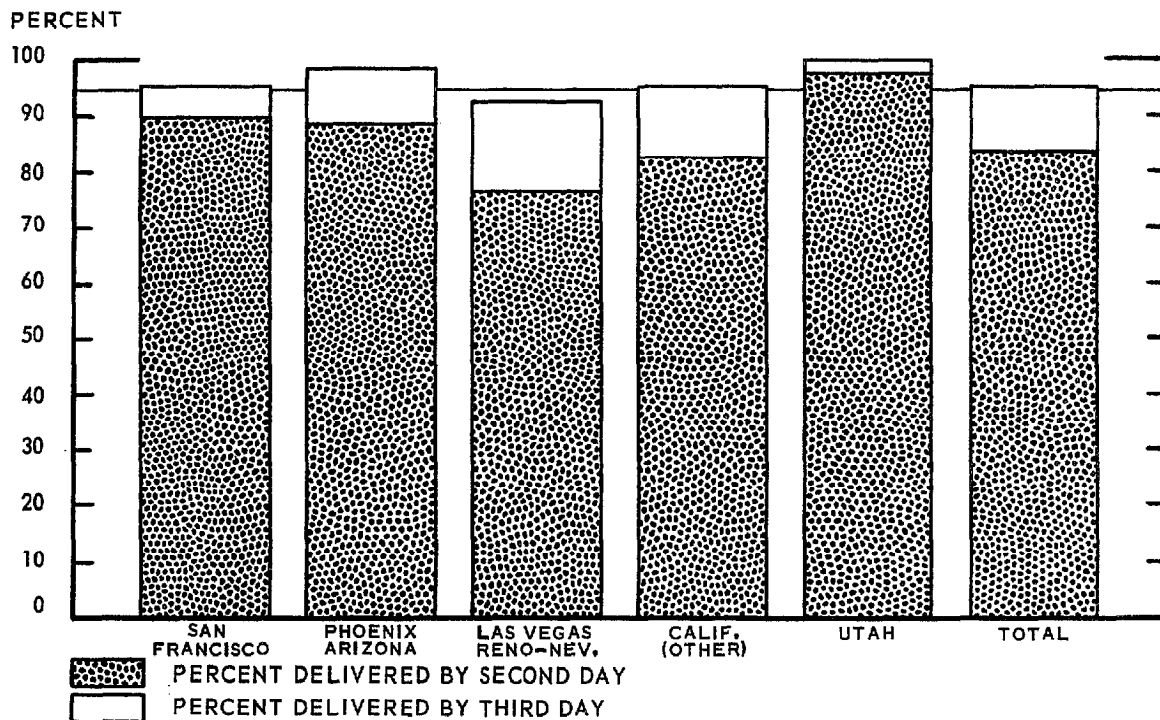
**PERCENTAGE OF MAIL DELIVERED OVERNIGHT
TO INTER - SCF AREAS FROM: LOS ANGELES**



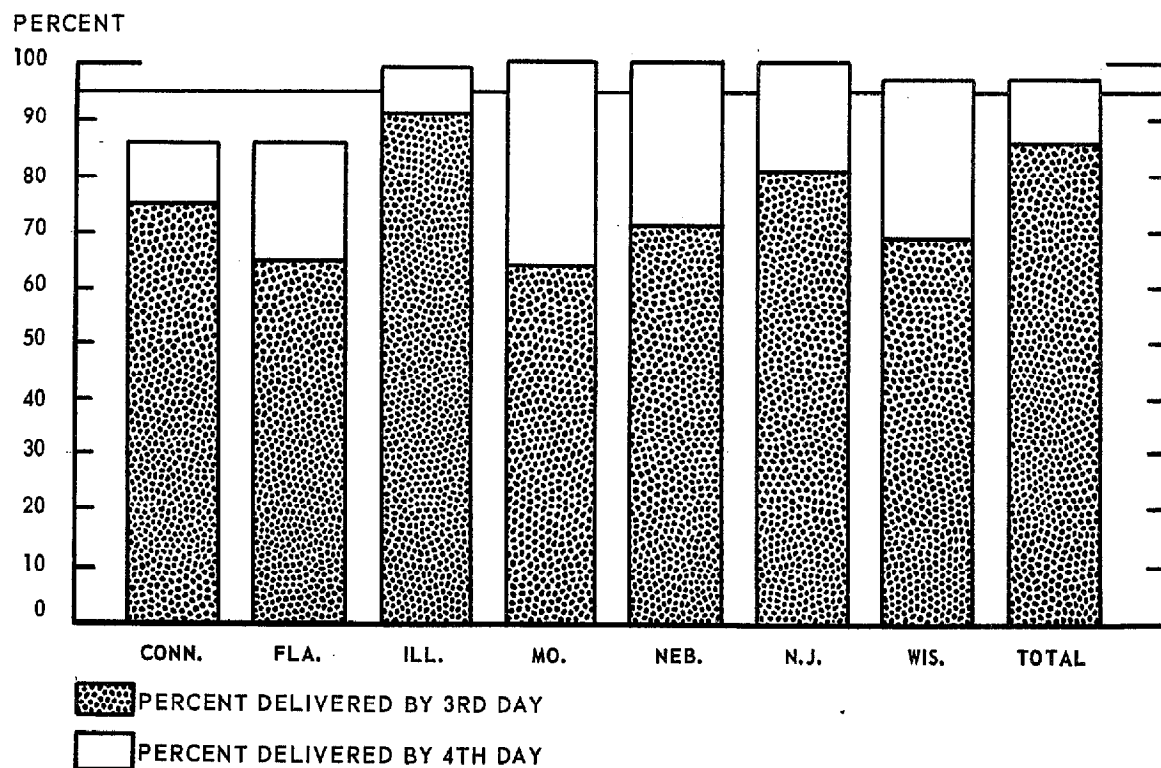
**PERCENTAGE OF MAIL DELIVERED OVERNIGHT
FROM INTER - SCF AREAS TO: LOS ANGELES**



**PERCENT OF MAIL DELIVERED FROM LOS ANGELES
TO TWO DAY STANDARD DESTINATION AREAS
(5/26/73 - 6/22/73)**



**PERCENT OF MAIL DELIVERED FROM LOS ANGELES
TO THREE DAY DESTINATION STATES (5/26/73 - 6/22/73)**



CUSTOMER COMPLAINTS
FEBRUARY 3 - MAY 25, PFY 1973

